

Senate Chamber, Atlanta, Georgia
Tuesday, February 14, 2006
Eighteenth Legislative Day

The Senate met pursuant to adjournment at 10:00 a.m. today and was called to order by the President.

Senator Thomas of the 54th reported that the Journal of the previous legislative day had been read and found to be correct.

By unanimous consent, the reading of the Journal was dispensed with.

The Journal was confirmed.

The following message was received from the House through Mr. Rivers, the Clerk thereof:

Mr. President:

The House has passed by the requisite constitutional majority the following Bills of the House:

HB 400. By Representatives Coleman of the 97th, Cummings of the 16th, Bridges of the 10th, Meadows of the 5th, Maddox of the 172nd and others:

A BILL to be entitled an Act to amend Article 7 of Chapter 3 of Title 47 of the Official Code of Georgia Annotated, relating to retirement allowances, disability benefits, and spouses' benefits in the Teachers Retirement System of Georgia, so as to provide for a postretirement benefit increase; to provide for applicability; to provide conditions for an effective date and automatic repeal; to repeal conflicting laws; and for other purposes.

HB 959. By Representatives Maddox of the 172nd, Lindsey of the 54th, Fleming of the 117th, O'Neal of the 146th, Roberts of the 154th and others:

A BILL to be entitled an Act to amend Code Section 40-6-222 of the Official Code of Georgia Annotated, relating to parking permits for persons with disabilities, so as to change certain provisions relating to permits for permanently disabled persons; to provide for permits issued to permanently disabled minors; to provide a short title; to repeal conflicting laws; and for other purposes.

- HB 1054. By Representatives Stephens of the 164th, Parham of the 141st, Parrish of the 156th, Graves of the 137th and Carter of the 159th:

A BILL to be entitled an Act to amend Chapter 13 of Title 16 of the Official Code of Georgia Annotated, relating to controlled substances, so as to change certain provisions relating to Schedule I controlled substances; to change certain provisions relating to Schedule IV controlled substances; to change certain provisions relating to the definition of the term "dangerous drug"; to provide an effective date; to repeal conflicting laws; and for other purposes.

- HB 1096. By Representatives Crawford of the 127th and Willard of the 49th:

A BILL to be entitled an Act to amend Code Section 15-6-3 of the Official Code of Georgia Annotated, relating to terms of superior courts, so as to change certain terms of court in Pike County in the Griffin Circuit; to repeal conflicting laws; and for other purposes.

- HB 1106. By Representatives Graves of the 12th, Channell of the 116th, Loudermilk of the 14th, McCall of the 30th, May of the 111th and others:

A BILL to be entitled an Act to amend Code Section 32-6-26 of the Official Code of Georgia Annotated, relating to weight of vehicle and load, so as to include the hauling of construction aggregates; to provide for related matters; to provide an effective date; to repeal conflicting laws; and for other purposes.

- HB 1251. By Representatives Benton of the 31st, England of the 108th, Sheldon of the 105th and Mills of the 25th:

A BILL to be entitled an Act to create the Braselton Visitors Bureau Authority as a public body corporate and politic, a political subdivision of the state, and a public corporation to have the responsibility and authority to promote tourism, conventions, and trade shows in the Town of Braselton, Georgia; to provide for the creation and organization of the authority; to provide for the appointment of the directors of the authority and their terms of office, compensation, and qualifications; to provide for meetings; to provide for legislative findings and declaration of purpose; to provide for general powers; to provide for regulations; to provide for other matters relative to the foregoing and relative to the general purposes of this Act; to repeal conflicting laws; and for other purposes.

- HB 1264. By Representatives Heard of the 104th, Cox of the 102nd, Everson of the 106th, Marin of the 96th, Walker of the 107th and others:

A BILL to be entitled an Act to amend an Act to continue and re-create the State Court of Gwinnett County, approved March 23, 1977 (Ga. L. 1977, p. 3331), as amended, particularly by an Act approved April 19, 2000 (Ga. L. 2000, p. 3598), so as to provide for an additional judge for the State Court of Gwinnett County; to provide for matters relative thereto; to provide an effective date; to repeal conflicting laws; and for other purposes.

- HB 1267. By Representatives Manning of the 32nd, Ehrhart of the 36th, Tumlin of the 38th, Parsons of the 42nd, Teilhet of the 40th and others:

A BILL to be entitled an Act to amend an Act creating the State Court of Cobb County, approved March 26, 1964 (Ga. L. 1964, p. 3211), as amended, particularly by an Act approved May 5, 2005 (Ga. L. 2005, p. 3607), so as to change the compensations of the clerk and the chief deputy clerk of the State Court of Cobb County; to provide for related matters; to repeal conflicting laws; and for other purposes.

- HB 1269. By Representative Greene of the 149th:

A BILL to be entitled an Act to amend an Act creating the Miller County Recreation Authority, approved March 25, 1997 (Ga. L. 1997, p. 3533), so as to provide for the composition, qualifications, terms, and quorums of the authority; to repeal conflicting laws; and for other purposes.

- HB 1270. By Representatives Yates of the 73rd and Knight of the 126th:

A BILL to be entitled an Act to amend an Act abolishing the fee system as the mode of compensation of the Coroner of Spalding County and providing in lieu thereof a salary for the compensation of such officer, approved March 6, 1962 (Ga. L. 1962, p. 3068), as amended, particularly by an Act approved February 28, 1966 (Ga. L. 1966, p. 2561), an Act approved April 5, 1971 (Ga. L. 1971, p. 3108), an Act approved March 30, 1977 (Ga. L. 1977, p. 4238), an Act approved March 13, 1978 (Ga. L. 1978, p. 3196), an Act approved April 11, 1979 (Ga. L. 1979, p. 3452), an Act approved April 6, 1981 (Ga. L. 1981, p. 4129), an Act approved March 21, 1984 (Ga. L. 1984, p. 4534), and an Act approved March 28, 1986 (Ga. L. 1986, p. 5545), so as to change the compensation of the coroner; to provide an effective date; to repeal conflicting laws; and for other purposes.

HB 1271. By Representative Jenkins of the 8th:

A BILL to be entitled an Act to create a board of elections and registration for Rabun County and to provide for its powers and duties; to provide for definitions; to provide for the composition of the board and the selection and appointment of members; to provide for the qualification, terms, and removal of members; to provide for oaths and privileges; to provide for meetings, procedures, and vacancies; to relieve certain officers of powers and duties and to provide for the transfer of functions to the newly created board; to provide for certain expenditures of public funds; to provide for compensation of members of the board and personnel; to provide for offices and equipment; to provide for the board's performance of certain functions and duties for certain municipalities; to provide for related matters; to provide for the submission of this Act for approval pursuant to Section 5 of the federal Voting Rights Act of 1965, as amended; to provide an effective date; to repeal conflicting laws; and for other purposes.

HB 1277. By Representative Cheokas of the 134th:

A BILL to be entitled an Act to authorize the Magistrate Court of Sumter County to charge a technology fee for each civil case filed and criminal fine imposed; to specify the uses to which said technology fees may be put; to provide for review and reports; to provide for adjustment of such fee; to provide an effective date; to repeal conflicting laws; and for other purposes.

The House has disagreed to the Senate amendment to the following Bill of the House:

HB 246. By Representatives Graves of the 137th, Stephens of the 164th, Carter of the 159th, Burmeister of the 119th, Parham of the 141st and others:

A BILL to be entitled an Act to amend Code Section 26-4-80 of the Official Code of Georgia Annotated, relating to dispensing prescription drugs, electronically transmitting drug orders, refills, and Schedule II controlled substance prescriptions, so as to change certain provisions relating to the electronic transmission of prescription drug orders; to provide for related matters; to repeal conflicting laws; and for other purposes.

The following Senate legislation was introduced, read the first time and referred to committee:

- SB 540. By Senators Staton of the 18th, Douglas of the 17th, Whitehead, Sr. of the 24th, Goggans of the 7th, Wiles of the 37th and others:

A BILL to be entitled an Act to amend Article 3 of Chapter 2 of Title 40 of the Official Code of Georgia Annotated, relating to prestige license plates and special plates for certain persons and vehicles, so as to provide for special license plates promoting our nation's heritage in Georgia; to provide for issuance, renewal, fees, licensing agreements, applications, transfers, and disposition of funds relative to such license plates; to provide for related matters; to provide for an effective date; to repeal conflicting laws; and for other purposes.

Referred to the Public Safety and Homeland Security Committee.

- SB 541. By Senators Hill of the 32nd, Pearson of the 51st, Staton of the 18th and Chance of the 16th:

A BILL to be entitled an Act to amend Article 6 of Chapter 9 of Title 16 of the Official Code of Georgia Annotated, relating to computer systems protection, so as to provide that no person shall transmit to an electronic address in Georgia any message that contains advertising material for viewing, use, consumption, sale, lease, or rental only by persons over 18 years of age unless the first eight characters of the subject line are "ADV:ADLT"; to provide for penalties; to provide for civil actions; to provide for damages; to repeal conflicting laws; and for other purposes.

Referred to the Science and Technology Committee.

- SB 542. By Senators Hill of the 32nd, Harp of the 29th and Smith of the 52nd:

A BILL to be entitled an Act to amend Chapter 36 of Title 31 of the Official Code of Georgia Annotated, relating to durable power of attorney for health care, so as to amend the signature requirement; to provide for related matters; to provide for applicability; to repeal conflicting laws; and for other purposes.

Referred to the Judiciary Committee.

- SB 543. By Senators Hill of the 32nd, Carter of the 13th, Grant of the 25th, Kemp of the 46th, Rogers of the 21st and others:

A BILL to be entitled an Act to amend Code Section 17-6-1 of the Official Code of Georgia Annotated, relating to where offenses are bailable and appeal bonds, so as to change certain restrictions on granting an appeal bond; to

provide for other related matters; to repeal conflicting laws; and for other purposes.

Referred to the Judiciary Committee.

SB 544. By Senators Jones of the 10th, Stoner of the 6th and Thompson of the 5th:

A BILL to be entitled an Act to amend Code Section 16-9-4 of the Official Code of Georgia Annotated, relating to the definition of identification document, prohibition against knowingly manufacturing, selling, or distributing false identification documents, and penalty, so as to provide that certain property used in conjunction with producing a false identification document shall be contraband; to provide for seizure and forfeiture; to repeal conflicting laws; and for other purposes.

Referred to the Judiciary Committee.

SB 545. By Senators Mullis of the 53rd, Thomas of the 54th, Douglas of the 17th, Balfour of the 9th, Heath of the 31st and others:

A BILL to be entitled an Act to amend Code Section 16-12-51 of the Official Code of Georgia Annotated, relating to definitions regarding bingo games, so as to provide a definition of nonprofit, tax-exempt organization; to provide for related matters; to repeal conflicting laws; and for other purposes.

Referred to the Economic Development Committee.

SR 848. By Senators Wiles of the 37th, Rogers of the 21st, Hill of the 32nd, Stoner of the 6th and Thompson of the 33rd:

A RESOLUTION honoring the life and service of Airman First Class Antoine J. Holt and dedicating the Antoine J. Holt Memorial Bridge; and for other purposes.

Referred to the Transportation Committee.

SR 849. By Senators Wiles of the 37th, Rogers of the 21st, Hill of the 32nd, Stoner of the 6th and Thompson of the 33rd:

A RESOLUTION honoring the life and service of Kimberly Boyd and dedicating the Kimberly Boyd Memorial Bridge; and for other purposes.

Referred to the Transportation Committee.

SR 853. By Senators Hill of the 32nd, Unterman of the 45th, Tate of the 38th, Thomas of the 54th and Goggans of the 7th:

A RESOLUTION creating the Hospital Health Care Standards Commission; and for other purposes.

Referred to the Health and Human Services Committee.

The following House legislation was read the first time and referred to committee:

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A BILL to be entitled an Act to amend Article 7 of Chapter 3 of Title 47 of the Official Code of Georgia Annotated, relating to retirement allowances, disability benefits, and spouses' benefits in the Teachers Retirement System of Georgia, so as to provide for a postretirement benefit increase; to provide for applicability; to provide conditions for an effective date and automatic repeal; to repeal conflicting laws; and for other purposes.

Referred to the Retirement Committee.

HB 959. By Representatives Maddox of the 172nd, Lindsey of the 54th, Fleming of the 117th, O'Neal of the 146th, Roberts of the 154th and others:

A BILL to be entitled an Act to amend Code Section 40-6-222 of the Official Code of Georgia Annotated, relating to parking permits for persons with disabilities, so as to change certain provisions relating to permits for permanently disabled persons; to provide for permits issued to permanently disabled minors; to provide a short title; to repeal conflicting laws; and for other purposes.

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HB 1251. By Representatives Benton of the 31st, England of the 108th, Sheldon of the 105th and Mills of the 25th:

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Referred to the State and Local Governmental Operations Committee.

HB 1264. By Representatives Heard of the 104th, Cox of the 102nd, Everson of the 106th, Marin of the 96th, Walker of the 107th and others:

A BILL to be entitled an Act to amend an Act to continue and re-create the State Court of Gwinnett County, approved March 23, 1977 (Ga. L. 1977, p. 3331), as amended, particularly by an Act approved April 19, 2000 (Ga. L. 2000, p. 3598), so as to provide for an additional judge for the State Court of Gwinnett County; to provide for matters relative thereto; to provide an effective date; to repeal conflicting laws; and for other purposes.

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4129), an Act approved March 21, 1984 (Ga. L. 1984, p. 4534), and an Act approved March 28, 1986 (Ga. L. 1986, p. 5545), so as to change the compensation of the coroner; to provide an effective date; to repeal conflicting laws; and for other purposes.

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HB 1277. By Representative Cheokas of the 134th:

A BILL to be entitled an Act to authorize the Magistrate Court of Sumter County to charge a technology fee for each civil case filed and criminal fine imposed; to specify the uses to which said technology fees may be put; to provide for review and reports; to provide for adjustment of such fee; to provide an effective date; to repeal conflicting laws; and for other purposes.

Referred to the State and Local Governmental Operations Committee.

The following committee reports were read by the Secretary:

Mr. President:

The Health and Human Services Committee has had under consideration the following legislation and has instructed me to report the same back to the Senate with the following recommendation:

SB 330 Do Pass
SB 507 Do Pass

Respectfully submitted,
Senator Thomas of the 54th District, Chairman

Mr. President:

The Higher Education Committee has had under consideration the following legislation and has instructed me to report the same back to the Senate with the following recommendation:

SB 436 Do Pass

Respectfully submitted,
Senator Harp of the 29th District, Chairman

Mr. President:

The Judiciary Committee has had under consideration the following legislation and has instructed me to report the same back to the Senate with the following recommendation:

SB 522 Do Pass by substitute
SB 530 Do Pass by substitute

Respectfully submitted,
Senator Smith of the 52nd District, Chairman

Mr. President:

The Reapportionment and Redistricting Committee has had under consideration the following legislation and has instructed me to report the same back to the Senate with the following recommendation:

HB 1137 Do Pass

Respectfully submitted,
Senator Rogers of the 21st District, Chairman

Mr. President:

The State and Local Governmental Operations Committee has had under consideration the following legislation and has instructed me to report the same back to the Senate with the following recommendation:

HB 1159 Do Pass

Respectfully submitted,
Senator Wiles of the 37th District, Chairman

The following legislation was read the second time:

HB 1026 SB 244 SB 427 SB 500 SR 700

Senator Williams of the 19th gave notice that at the proper time he would move the Senate resolve into the Committee of the Whole Senate for the purpose of taking up HB 1026.

Senator Hooks of the 14th asked unanimous consent that Senator Harbison of the 15th be excused. The consent was granted, and Senator Harbison was excused.

Senator Thompson of the 5th asked unanimous consent that Senator Brown of the 26th be excused. The consent was granted, and Senator Brown was excused.

Senator Zamarripa of the 36th asked unanimous consent that Senator Thompson of the 33rd be excused. The consent was granted, and Senator Thompson was excused.

Senator Seay of the 34th asked unanimous consent that Senator Reed of the 35th be excused. The consent was granted, and Senator Reed was excused.

Senator Smith of the 52nd asked unanimous consent that Senator Mullis of the 53rd be excused. The consent was granted, and Senator Mullis was excused.

Senator Tolleson of the 20th asked unanimous consent that Senator Stephens of the 27th be excused. The consent was granted, and Senator Stephens was excused.

The roll was called and the following Senators answered to their names:

Adelman	Hill,Judson	Starr
Balfour	Hooks	Staton
Bulloch	Hudgens	Stoner
Butler	Johnson	Tarver

Cagle	Jones	Tate
Carter	Kemp	Thomas,D
Chance	Me V Bremen	Thomas,R
Chapman	Moody	Thompson,C
Douglas	Pearson	Tolleson
Goggans	Powell	Unterman
Golden	Rogers	Weber
Hamrick	Schaefer	Whitehead
Harp	Seabaugh	Wiles
Heath	Seay	Williams
Henson	Shafer,D	Zamarripa
Hill,Jack	Smith	

Not answering were Senators:

Brown (Excused)	Fort	Grant
Harbison (Excused)	Miles	Mullis (Excused)
Reed (Excused)	Stephens (Excused)	Thompson, S (Excused)

Senator Fort was off the floor of the Senate when the roll was called and wished to be recorded as present.

The members pledged allegiance to the flag.

Senator Rogers of the 21st introduced the chaplain of the day, Pastor Johnny Hunt of Woodstock, Georgia, who offered scripture reading and prayer.

The following resolutions were read and adopted:

SR 847. By Senator Douglas of the 17th:

A RESOLUTION expressing regret at the passing of Lucy Gilmer Anderson; and for other purposes.

SR 850. By Senator Williams of the 19th:

A RESOLUTION commending Michael Jon and Misty Baxley for being named Outstanding Young Farm Family; and for other purposes.

SR 851. By Senator Williams of the 19th:

A RESOLUTION commending Charlie and Mary Ellen McKenzie on the occasion of their sixtieth wedding anniversary; and for other purposes.

SR 852. By Senator Williams of the 19th:

A RESOLUTION commending Donnie Morris; and for other purposes.

SR 854. By Senators Seay of the 34th, Reed of the 35th, Miles of the 43rd, Starr of the 44th, Tate of the 38th and others:

A RESOLUTION commending Ms. Myrna May White and congratulating her on being named the director of the Office of Public Affairs for the Department of Aviation at Hartsfield-Jackson Atlanta International Airport; and for other purposes.

SR 855. By Senators Seay of the 34th, Miles of the 43rd, Starr of the 44th, Tate of the 38th and Brown of the 26th:

A RESOLUTION congratulating Dixon Grove Baptist Church on its 50th anniversary; and for other purposes.

SR 856. By Senators Harp of the 29th, Hooks of the 14th, Williams of the 19th, Balfour of the 9th and Johnson of the 1st:

A RESOLUTION recognizing and offering thanks to Mr. William T. Heard, Jr.; and for other purposes.

SR 857. By Senators Douglas of the 17th, Johnson of the 1st, Wiles of the 37th, Hill of the 4th, Williams of the 19th and others:

A RESOLUTION commending Georgia's National Guard troops; recognizing February 22, 2006, as "National Guard Day"; and for other purposes.

SR 858. By Senator Jones of the 10th:

A RESOLUTION commending Bishop Dr. Robert Lee Evans, Sr.; and for other purposes.

Senator Whitehead of the 24th asked unanimous consent that Senator Grant of the 25th be excused. The consent was granted, and Senator Grant was excused.

Senator Staton of the 18th asked unanimous consent that Senator Chance of the 16th be excused. The consent was granted, and Senator Chance was excused.

Senator Staton of the 18th asked unanimous consent that Senator Douglas of the 17th be excused. The consent was granted, and Senator Douglas was excused.

The following local, uncontested legislation, favorably reported by the committee as listed on the Local Consent Calendar, was put upon its passage:

SENATE LOCAL CONSENT CALENDAR

Tuesday, February 14, 2006
Eighteenth Legislative Day

(The names listed are the Senators whose districts are affected by the legislation.)

HB 1159 Pearson of the 51st
LUMPKIN COUNTY

A BILL to be entitled an Act to amend an Act creating the Board of Elections and Registration of Lumpkin County, approved June 3, 2003 (Ga. L. 2003, p. 4354), so as to change certain provisions relating to duties of the board; to change certain provisions relating to appointment and terms of office of members; to change certain provisions relating to qualifications of members; to change certain provisions relating to vacancies; to provide for removal of members; to change certain provisions regarding appointment and duties of the election supervisor and chief registrar; to repeal conflicting laws; and for other purposes.

The report of the committee, which was favorable to the passage of the local legislation as reported, was agreed to.

On the passage of the legislation, a roll call was taken, and the vote was as follows:

Y Adelman	Y Hill,Jack	Smith
Y Balfour	Hill,Judson	Starr
E Brown	Y Hooks	Y Staton
Y Bulloch	Y Hudgens	Y Stephens
Y Butler	Y Johnson	Y Stoner
Y Cagle	Y Jones	Y Tarver
Y Carter	Y Kemp	Y Tate
E Chance	Y Me V Bremen	Y Thomas,D
Y Chapman	Y Miles	Y Thomas,R
E Douglas	Y Moody	Y Thompson,C
Y Fort	Y Mullis	E Thompson,S
Y Goggans	Y Pearson	Y Tolleson
Y Golden	Y Powell	Y Unterman
E Grant	Y Reed	Weber

Y Hamrick	Rogers	Y Whitehead
E Harbison	Schaefer	Y Wiles
Y Harp	Y Seabaugh	Y Williams
Y Heath	Seay	Y Zamarripa
Y Henson	Shafer,D	

On the passage of the local legislation, the yeas were 42, nays 0.

The legislation on the Local Consent Calendar, having received the requisite constitutional majority, was passed.

SENATE RULES CALENDAR
TUESDAY, FEBRUARY 14, 2006
EIGHTEENTH LEGISLATIVE DAY

SB 384	Interstate Insurance Product Regulation Compact; enact; regulate designated insurance products; create commission (I&L-47th)
SB 469	Corporations, Partnerships and Associations; update provisions (Substitute)(S JUDY-52nd)
SB 373	License, Honorary; veterans; provide for unremarried surviving spouse or child of deceased military persons; conditions (PF) (PS&HS-17th)
SB 385	Insurers; investments in the obligations of certain Canadian cities (Substitute)(I&L-47th)
HB 1080	Income tax credit; qualified child and dependent care expenses; provide (FIN-49th) Golick-34th

Respectfully submitted,

/s/ Balfour of the 9th, Chairman
Senate Rules Committee

Senator Thompson of the 5th asked unanimous consent that Senator Stoner of the 6th be excused. The consent was granted, and Senator Stoner was excused.

The following legislation was read the third time and put upon its passage:

SB 384. By Senators Hudgens of the 47th and Rogers of the 21st:

A BILL to be entitled an Act to amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to enact the Interstate Insurance Product Regulation Compact; to help states join together to establish an interstate compact to regulate designated insurance products; to provide for implementation of such compact; to provide for the Interstate Insurance Product Regulation Commission; to provide for organization of the commission; to provide for related matters; to repeal conflicting laws; and for other purposes.

The report of the committee, which was favorable to the passage of the bill, was agreed to.

On the passage of the bill, a roll call was taken, and the vote was as follows:

Y Adelman	Y Hill,Jack	Y Smith
Y Balfour	Y Hill,Judson	Starr
E Brown	Y Hooks	Y Staton
Y Bulloch	Y Hudgens	Stephens
Y Butler	Y Johnson	E Stoner
Y Cagle	Y Jones	Y Tarver
Y Carter	Y Kemp	Y Tate
E Chance	Y Me V Bremen	Y Thomas,D
Y Chapman	Y Miles	Y Thomas,R
Y Douglas	Y Moody	Thompson,C
Y Fort	Y Mullis	E Thompson,S
Y Goggans	Y Pearson	Y Tolleson
Y Golden	Y Powell	Y Unterman
E Grant	Y Reed	Weber
Y Hamrick	Y Rogers	Y Whitehead
E Harbison	Y Schaefer	Y Wiles
Y Harp	Y Seabaugh	Y Williams
Y Heath	Y Seay	Y Zamarripa
Y Henson	Y Shafer,D	

On the passage of the bill, the yeas were 46, nays 0.

SB 384, having received the requisite constitutional majority, was passed.

Senators Moody of the 56th and Whitehead of the 24th recognized members of P.A.G.E., commended by SR 723, adopted previously.

Senator Smith of the 52nd recognized representatives of Coosa High School, commended by SR 734, adopted previously.

The Calendar was resumed.

SB 469. By Senators Smith of the 52nd, Meyer von Bremen of the 12th, Harp of the 29th and Reed of the 35th:

A BILL to be entitled an Act to amend Title 14 of the Official Code of Georgia Annotated, relating to corporations, partnerships, and associations, so as to provide for the updating of provisions relating to corporations, partnerships, and associations; to provide confirmation when an order for relief with respect to a corporation has been entered pursuant to the federal Bankruptcy Code of the power and authority of such corporation to take action pursuant to the decree of order or the court or judge in such bankruptcy proceedings; to provide that a board of directors can commit a corporation to submit a matter for shareholder approval even if the board of directors subsequently determines to recommend against it later; to correct cross-references; to provide for related matters; to repeal conflicting laws; and for other purposes.

The Senate Special Judiciary Committee offered the following substitute to SB 469:

A BILL TO BE ENTITLED
AN ACT

To amend Title 14 of the Official Code of Georgia Annotated, relating to corporations, partnerships, and associations, so as to provide for the updating of provisions relating to corporations, partnerships, and associations; to provide confirmation when an order for relief with respect to a corporation has been entered pursuant to the federal Bankruptcy Code of the power and authority of such corporation to take action pursuant to the decree of order or the court or judge in such bankruptcy proceedings; to provide that a board of directors can commit a corporation to submit a matter for shareholder approval even if the board of directors subsequently determines to recommend against it later; to correct cross-references; to change certain provisions relating to court ordered indemnification and advancement for expenses; to confirm the authority of a court to order advancement of expenses before determining a director's ultimate entitlement to indemnification; to provide statutory rules of construction for language frequently used in mandatory indemnification provisions; to change certain provisions relating to amendment to articles of incorporation by board of directors and shareholders; to repeal certain provisions relating to amendment to articles of incorporation pursuant to reorganization; to clarify existing law by expressly recognizing the possibility of different treatment of shareholders in a plan of merger of share exchange; to change certain provisions relating to merger; to change certain provisions relating to share exchange; to change certain

provisions relating to action on plan of merger; to change certain provisions relating to merger with subsidiary; to change certain provisions relating to merger with other entities; to change certain provisions relating to election to become limited liability company; to streamline the process of permitting an entity to convert from one form into another; to allow entities organized in other states to convert to certain corporations or partnerships in this state; to change certain provisions relating to sale of assets requiring shareholder approval; to change certain provisions relating to right to dissent; to change provisions relating to dissolution by board of directors and shareholders; to change certain provisions relating to amended certificate of authority; to change certain provisions relating to corporate name of foreign corporation; to change certain provisions relating to election to become a limited partnership; to change certain provisions relating to certificate of authority for foreign limited partnerships; to change certain provisions relating to change of name or state of organization; to change certain provisions relating to amended certificate required for change of name or jurisdiction of organization; to change certain provisions relating to election to become a limited liability company; to add a filing fee for entity conversion; to change certain provisions relating to right to dissent; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Title 14 of the Official Code of Georgia Annotated, relating to corporations, partnerships, and associations, is amended by adding a new Code Section 14-2-104 to the end of Part 1 of Article 1 of Chapter 2, relating to short title and reservation of power, to read as follows:

"14-2-104.

(a) Any corporation, an order for relief with respect to which has been entered pursuant to the federal Bankruptcy Code (11 U.S.C. Section 101, et seq.), may put into effect and carry out any decrees and orders of the court or judge in such bankruptcy proceeding and may take any corporate action provided or directed by such decrees and orders, without further action by its directors or shareholders. Such power and authority may be exercised, and such corporate action may be taken, as may be directed by such decrees and orders, by the trustee or trustees of such corporation appointed or elected in the bankruptcy proceeding, or a majority thereof, or, if none be appointed or elected and acting, by designated officers of the corporation, or by a representative appointed by the court or judge, with like effect as if exercised and taken by unanimous action of the directors and shareholders of the corporation.

(b) Such corporation may, in the manner provided in subsection (a) of this Code section, but without limiting the generality or effect of the foregoing, alter, amend, or repeal its bylaws; constitute or reconstitute and classify or reclassify its board of directors, and name, constitute, or appoint directors and officers in place of or in addition to all or some of the directors or officers then in office; amend its articles of incorporation, and make any change in its shares, or any other amendment, change, or

alteration, or provision, authorized by this chapter; be dissolved, transfer all or part of its assets, merge or effect any share exchange in connection with any action taken under this Code section; change the location of its registered office, change its registered agent, and remove or appoint any agent to receive service of process; authorize and fix the terms, manner, and conditions of, the issuance of bonds, debentures, or other obligations, regardless of whether convertible into shares of any class or series, or bearing warrants or other evidences of optional rights to purchase or subscribe for shares of any class or series; or lease its property and franchises to any corporation, if permitted by law. No shareholder shall have the right to dissent under Article 13 of this chapter with respect to such shareholder's shares in connection with any action taken under this Code section.

(c) Articles or a certificate of any amendment, correction, merger, share exchange, or dissolution, made by such corporation pursuant to this Code section, shall be filed with the Secretary of State in accordance with Code Section 14-2-120, and, subject to Code Section 14-2-123 and subsection (c) of Code Section 14-2-124, shall thereupon become effective in accordance with its terms and the provisions thereof. Such articles, certificate, or other instrument shall be made, executed, and acknowledged, as may be directed by such decrees and orders, by the trustee or trustees appointed or elected in the bankruptcy proceeding, or a majority thereof, or, if none be appointed or elected and acting, by the officers of the corporation, or by a representative appointed by the court or judge, and shall certify that provision for the making of such articles, certificate, or instrument is contained in a decree or order of a court or judge having jurisdiction of a proceeding under the federal Bankruptcy Code.

(d) This Code section shall cease to apply to such corporation upon the entry of a final decree in the bankruptcy proceeding closing the case and discharging the trustee or trustees, if any; provided, however, that the closing of a case and discharge of trustee or trustees, if any, will not affect the validity of any act previously performed pursuant to subsection (a), (b), or (c) of this Code section.

(e) On filing any articles, certificate, report, or other paper made or executed pursuant to this Code section, there shall be paid to the Secretary of State for the use of the state the same fees as are payable by corporations not in bankruptcy upon the filing of like articles, certificates, agreements, reports, or other papers."

SECTION 2.

Said title is further amended by adding a new Code Section 14-2-305 to the end of Article 3 of Chapter 2, relating to purposes and powers of business corporations, to read as follows:

"14-2-305.

Subject to the requirements set forth in paragraph (1) of subsection (b) of Code Section 14-2-1003, with respect to the submission of amendments to the articles of incorporation to shareholders; paragraph (1) of subsection (b) of Code Section 14-2-1103, with respect to the submission of a plan of merger or share exchange to shareholders; paragraph (1) of subsection (b) of Code Section 14-2-1202, with respect

to the submission of a disposition of assets requiring shareholder approval to shareholders; and paragraph (1) of subsection (b) of Code Section 14-2-1402, with respect to the submission of a proposed dissolution to shareholders, a corporation may agree to submit a matter to a vote of its shareholders regardless of whether the board of directors determines at any time subsequent to adopting or approving such matter that such matter is no longer advisable and recommends that the shareholders reject or vote against the matter."

SECTION 3.

Said title is further amended by striking paragraph (2) of subsection (b) of Code Section 14-2-401, relating to corporate name, and inserting in lieu thereof the following:

"(2) A corporate name reserved or registered under Code Section 14-2-402 or 14-2-403;"

SECTION 4.

Said title is further amended by striking Code Section 14-2-854, relating to court ordered indemnification and advances for expenses, and inserting in lieu thereof the following:

"14-2-854.

(a) A director who is a party to a proceeding because he or she is a director may apply for indemnification or advance for expenses to the court conducting the proceeding or to another court of competent jurisdiction. After receipt of an application and after giving any notice it considers necessary, the court shall:

(1) Order indemnification or advance for expenses if it determines that the director is entitled to indemnification or advance for expenses under this part; or

(2) Order indemnification or advance for expenses if it determines, in view of all the relevant circumstances, that it is fair and reasonable to indemnify the director or to advance expenses to the director, even if the director has not met the relevant standard of conduct set forth in subsections (a) and (b) of Code Section 14-2-851, failed to comply with Code Section 14-2-853, or was adjudged liable in a proceeding referred to in paragraph (1) or (2) of subsection (d) of Code Section 14-2-851, but if the director was adjudged so liable, the indemnification shall be limited to reasonable expenses incurred in connection with the proceeding.

(b) If the court determines that the director is entitled to indemnification or advance for expenses under this part paragraph (1) of subsection (a) of this Code section, it ~~may~~ shall also order the corporation to pay the director's reasonable expenses to obtain ~~court ordered~~ court ordered indemnification or advance for expenses. If the court determines that the director is entitled to indemnification or advance for expenses under paragraph (2) of subsection (a) of this Code section, it may also order the corporation to pay the director's reasonable expenses to obtain court ordered indemnification or advance for expenses.

(c) The court may summarily determine, without a jury, a corporation's obligation to advance expenses."

SECTION 5.

Said title is further amended by striking Code Section 14-2-859, relating to application of part, and inserting in lieu thereof the following:

"14-2-859.

(a) A corporation may, by a provision in its articles of incorporation or bylaws or in a resolution adopted or a contract approved by its board of directors or shareholders, obligate itself in advance of the act or omission giving rise to a proceeding to provide indemnification or advance funds to pay for or reimburse expenses consistent with this part. Any such obligatory provision shall be deemed to satisfy the requirements for authorization referred to in subsection (c) of Code Section 14-2-853 or subsection (c) of Code Section 14-2-855. ~~Any such provision that obligates the corporation to provide indemnification to the fullest extent permitted by law shall be deemed to obligate the corporation to advance funds to pay for or reimburse expenses in accordance with Code Section 14-2-853 to the fullest extent permitted by law, unless the provision specifically provides otherwise.~~

(b) Any provision pursuant to subsection (a) of this Code section shall not obligate the corporation to indemnify or advance expenses to a director of a predecessor of the corporation, pertaining to conduct with respect to the predecessor, unless otherwise specifically provided. Any provision for indemnification or advance for expenses in the articles of incorporation, bylaws, or a resolution of the board of directors or shareholders, partners, or, in the case of limited liability companies, members or managers of a predecessor of the corporation or other entity in a merger or in a contract to which the predecessor is a party, existing at the time the merger takes effect, shall be governed by paragraph (3) of subsection (a) of Code Section 14-2-1106.

(c) A corporation may, by a provision in its articles of incorporation, limit any of the rights to indemnification or advance for expenses created by or pursuant to this part.

(d) This part ~~does~~ shall not limit a corporation's power to pay or reimburse expenses incurred by a director or an officer in connection with his or her appearance as a witness in a proceeding at a time when he or she is not a party.

(e) Except as expressly provided in Code Section 14-2-857, this part ~~does~~ shall not limit a corporation's power to indemnify, advance expenses to, or provide or maintain insurance on behalf of an employee or agent.

(f) Any provision in a corporation's articles of incorporation or bylaws or in a resolution adopted or contract approved by its board of directors or shareholders that obligates the corporation to provide indemnification to the fullest extent permitted by law shall, unless such provision or another provision in the corporation's articles of incorporation or bylaws or in a resolution adopted or a contract approved by its board of directors or shareholders expressly provides otherwise, be deemed to obligate the corporation:

(1) To advance funds to pay for or reimburse expenses in accordance with Code Section 14-2-853 to the fullest extent permitted by law; and

(2) To indemnify directors to the fullest extent permitted in Code Section 14-2-856, provided that such provision is duly authorized as required in subsection (a) of Code

Section 14-2-856, and to indemnify officers to the fullest extent permitted in paragraph (2) of subsection (a) and subsection (b) of Code Section 14-2-857."

SECTION 6.

Said title is further amended by striking paragraph (1) of subsection (b) of Code Section 14-2-1003, relating to amendment by board of directors and shareholders, and inserting in lieu thereof the following:

"(1) The board of directors ~~must recommend the amendment~~ shall also transmit to the shareholders a recommendation that the shareholders approve the amendment, unless the board of directors ~~elects~~ makes a determination that, because of ~~a conflict~~ conflicts of interest or other special circumstances, ~~to make no recommendation and communicates the basis for its election to the shareholders with the amendment it should either refrain from making such a recommendation or recommend that the shareholders reject or vote against the amendment, in which case the board of directors shall transmit to the shareholders the basis for such determination; and"~~

SECTION 7.

Said title is further amended by striking Code Section 14-2-1008, relating to amendment pursuant to reorganization, and inserting in lieu thereof the following:

"14-2-1008.

~~(a) A corporation's articles of incorporation may be amended without action by the board of directors or shareholders to carry out a plan of reorganization ordered or decreed by a court of competent jurisdiction under federal statute if the articles of incorporation after amendment contain only provisions required or permitted by Code Section 14-2-202.~~

~~(b) The individual or individuals designated by the court shall deliver to the Secretary of State for filing articles of amendment setting forth:~~

~~(1) The name of the corporation;~~

~~(2) The text of each amendment approved by the court;~~

~~(3) The date of the court's order or decree approving the articles of amendment;~~

~~(4) The title of the reorganization proceeding in which the order or decree was entered; and~~

~~(5) A statement that the court had jurisdiction of the proceeding under federal statute.~~

~~(c) Shareholders of a corporation undergoing reorganization do not have dissenters' rights except as and to the extent provided in the reorganization plan.~~

~~(d) This Code section does not apply after entry of a final decree in the reorganization proceeding even though the court retains jurisdiction of the proceeding for limited purposes unrelated to consummation of the reorganization plan. Reserved."~~

SECTION 8.

Said title is further amended by striking Code Section 14-2-1101, relating to merger, and inserting in lieu thereof the following:

"14-2-1101.

(a) One or more corporations may merge into another corporation if the board of directors of each corporation adopts and its shareholders (if required by Code Section 14-2-1103) approve a plan of merger.

(b) The plan of merger must set forth:

(1) The name of each corporation planning to merge and the name of the surviving corporation into which each other corporation plans to merge;

(2) The terms and conditions of the merger; and

(3) The manner and basis of converting the shares of each corporation into shares or other securities, obligations, rights to acquire shares or other securities, ~~of the surviving or any other corporation or into cash or other property in whole or in part~~ cash, other property, or any combination of the foregoing, and if any shares of any holder of a class or series of shares are to be converted in a manner or basis different from any other holder of shares of such class or series, the manner or basis applicable to each such holder.

(c) The plan of merger may set forth:

(1) Amendments to the articles of incorporation of the surviving corporation; ~~and~~

(2) A provision that the plan may be amended prior to the time the merger has become effective, but if shareholders of a corporation that is a party to the merger are required or permitted to vote on the plan, subsequent to approval of the plan by such shareholders the plan may not be amended to change in any respect not expressly authorized by such shareholders in connection with the approval of the plan:

(A) The amount or kind of shares or other securities, obligations, rights to acquire shares or other securities, cash, or other property to be received under the plan by the shareholders of any party to the merger if such change would adversely affect such shareholders;

(B) The articles of incorporation of any corporation that will survive as a result of the merger, except for changes permitted by Code Section 14-2-1002 or changes that would not adversely affect such shareholders; or

(C) Any of the other terms or conditions of the plan if such change would adversely affect such shareholders in any material respect; and

in the event that the plan of merger is amended after articles or a certificate of merger has been filed with the Secretary of State but before the merger has become effective, a certificate of amendment of merger executed on behalf of each party to the merger by an officer or other duly authorized representative shall be delivered to the Secretary of State for filing prior to the effectiveness of the merger; and

(3) Other provisions relating to the merger.

(d) Any of the terms of the plan of merger may be made dependent upon facts ascertainable outside of the plan of merger, provided that the manner in which such facts shall operate upon the terms of the merger is clearly and expressly set forth in the plan of merger. As used in this subsection, the term 'facts' includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation."

SECTION 9.

Said title is further amended by striking Code Section 14-2-1102, relating to share exchange, and inserting in lieu thereof the following:

"14-2-1102.

(a) A corporation may acquire all of the outstanding shares of one or more classes or series of another corporation through a share exchange if the board of directors of each corporation adopts and its shareholders (if required by Code Section 14-2-1103) approve the share exchange.

(b) The plan of share exchange must set forth:

(1) The name of the corporation whose shares will be acquired and the name of the acquiring corporation;

(2) The terms and conditions of the share exchange; and

(3) The manner and basis of exchanging the shares to be acquired for shares, or other securities, obligations, rights to acquire shares or other securities, of the acquiring or any other corporation or for cash or other property in whole or in part cash, other property, or any combination of the foregoing, and if any shares of any holder of a class or series of shares are to be exchanged in a manner or basis different from any other holder of shares of such class or series, the manner or basis applicable to each such holder.

(c) The plan of share exchange may set forth other provisions relating to the share exchange, including a provision that the plan may be amended prior to the time the share exchange has become effective, but if shareholders of a corporation that is a party to the share exchange are required or permitted to vote on the plan, subsequent to approval of the plan by such shareholders the plan may not be amended to change in any respect not expressly authorized by such shareholders in connection with the approval of the plan:

(1) The amount or kind of shares or other securities, obligations, rights to acquire shares or other securities, cash, or other property to be issued by the corporation or to be received under the plan by the shareholders of any party to the share exchange if such change would adversely affect such shareholders; or

(2) Any of the other terms or conditions of the plan if such change would adversely affect such shareholders in any material respect; and
in the event that the plan of share exchange is amended after articles or a certificate of share exchange has been filed with the Secretary of State but before the share exchange has become effective, a certificate of amendment of share exchange executed on behalf of each party to the share exchange by an officer or other duly authorized representative shall be delivered to the Secretary of State for filing prior to the effectiveness of the share exchange.

(d) Any of the terms of the plan of share exchange may be made dependent upon facts ascertainable outside of the plan of share exchange, provided that the manner in which such facts shall operate upon the terms of the share exchange is clearly and expressly set forth in the plan of share exchange. As used in this subsection, the term 'facts' includes, but is not limited to, the occurrence of any event, including a determination or

action by any person or body, including the corporation.

(e) This Code section does not limit the power of a corporation to acquire all or part of the shares of one or more classes or series of another corporation through a voluntary exchange of shares or otherwise."

SECTION 10.

Said title is further amended by striking paragraph (1) of subsection (b) of Code Section 14-2-1103, relating to action on plan, and inserting in lieu thereof the following:

"(1) The board of directors ~~must recommend the plan of merger or share exchange~~ shall also transmit to the shareholders a recommendation that the shareholders approve the plan, unless the board of directors ~~elects~~, makes a determination that, because of conflict conflicts of interest or other special circumstances, to make no recommendation and communicates the basis for its election to the shareholders with the plan it should either refrain from making such a recommendation or recommend that the shareholders reject or vote against the plan, in which case the board of directors shall transmit to the shareholders the basis for such determination; and"

SECTION 11.

Said title is further amended by striking paragraph (2) of subsection (b) of Code Section 14-2-1104, relating to merger with subsidiary, and inserting in lieu thereof the following:

"(2) The manner and basis of converting the shares of the parent or subsidiary into shares; or other securities, obligations, rights to acquire shares or other securities of the surviving corporation or any other corporation or into cash or other property in whole or in part securities, cash, other property, or any combination thereof, and if any shares of any holder of a class or series of shares are to be converted in a manner or basis different from any other holder of shares of such class or series, the manner or basis applicable to such holder."

SECTION 12.

Said title is further amended by striking subsection (d) of Code Section 14-2-1109, relating to merger with other entities, and inserting in lieu thereof the following:

"(d) The plan of merger:

(1) Must set forth:

(A) The name of each corporation and entity planning to merge and the name of the surviving corporation or entity into which each other corporation and entity plans to merge;

(B) The terms and conditions of the merger; and

(C) The manner and basis of converting the shares of each corporation and the shares, memberships, or financial or beneficial interests or units in each of the entities into shares; or other securities, obligations, rights to acquire shares or other securities, of the surviving or any other corporation or entity or into cash or other property in whole or in part cash, other property, or any combination of the

foregoing, and if any shares of any holder of a class or series of shares are to be converted in a manner or basis different from any other holder of shares of such class or series, the manner or basis applicable to each such holder; and

(2) May set forth:

(A) Amendments to the articles of incorporation or governing agreements of the surviving corporation or entity; ~~and~~

(B) A provision that the plan may be amended prior to the time the merger has become effective, but if shareholders of a domestic corporation that is a party to the merger or shareholders, partners, or members of a domestic entity that is a party to the merger are required or permitted to vote on the plan, subsequent to approval of the plan by such shareholders, partners, or members the plan may not be amended to change in any respect not expressly authorized by such approving shareholders, partners, or members in connection with the approval of the plan:

(i) The amount or kind of shares or other securities, obligations, rights to acquire shares or other securities, cash, or other property to be received under the plan by the shareholders, partners, or members of any party to the merger if such change would adversely affect such approving shareholders, partners, or members;

(ii) The articles or certificate of incorporation of any domestic or foreign corporation, or the governing agreements of any other entity, that will survive or be created as a result of the merger, except for changes permitted by Code Section 14-2-1002 or by comparable provisions of the law of the state or jurisdiction under which any such other entity was organized or changes that would not adversely affect such approving shareholders, partners, or members; or

(iii) Any of the other terms or conditions of the plan if such change would adversely affect such approving shareholders, partners, or members in any material respect; and

in the event that the plan of merger is amended after articles or a certificate of merger has been filed with the Secretary of State but before the merger has become effective, a certificate of amendment of merger executed on behalf of each party to the merger by an officer or other duly authorized representative shall be delivered to the Secretary of State for filing prior to the effectiveness of the merger; and

(C) Other provisions relating to the merger."

SECTION 13.

Said title is further amended by striking Code Section 14-2-1109.1, relating to election to become a limited liability company, and inserting in lieu thereof the following:

"14-2-1109.1.

(a) As used in this Code section, the term:

(1) 'Limited ~~limited~~ liability company' means any limited liability company formed under Chapter 11 of this title.

(2) 'Limited partnership' means any limited partnership formed under Chapter 9 of this title.

(b) Pursuant to Code Section 14-11-212 or 14-9-206.2 and this Code section, a A

corporation may elect to become a limited liability company or limited partnership if the board of directors adopts and its shareholders approve a plan of ~~election~~ conversion.

(c) The plan of ~~election~~ conversion must set forth:

(1) The name of the limited liability company or limited partnership to be formed pursuant to such election;

(2) The manner and basis of converting the shares of such corporation into interests as members of the limited liability company to be formed pursuant to such election or interests as partners of the limited partnership to be formed pursuant to such election or a statement that such information is contained in the written operating agreement proposed for such limited liability company or the written limited partnership agreement proposed for such limited partnership;

(3) The effective date and time of such election, if later than the date and time the certificate of ~~election~~ conversion is filed;

(4) The contents of the articles of organization that shall be the articles of organization of the limited liability company to be formed pursuant to such election unless and until modified in accordance with the provisions of Chapter 11 of this title or the contents of the certificate of limited partnership that shall be the certificate of limited partnership of the limited partnership to be formed pursuant to such election unless and until modified in accordance with the provisions of Chapter 9 of this title; and

(5)(A) The contents of the written operating agreement to be entered into among the persons who will be the members of the limited liability company to be formed pursuant to such election, which shall, if not separately provided in the plan of election, state:

(i) The ~~the~~ manner and basis for the conversion of the shares of such corporation into interests as members of the limited liability company to be formed pursuant to such election; and

(ii) That ~~that notification that~~ approval of the election will be deemed to be execution of the operating agreement by such persons; or

(B) The contents of the written limited partnership agreement to be entered into among the persons who will be the partners of the limited partnership to be formed pursuant to such election, which shall, if not separately provided in the plan of conversion, state:

(i) The manner and basis for the conversion of the shares of such corporation into interests as partners of the limited partnership to be formed pursuant to such conversion; and

(ii) That approval of the election will be deemed to be execution of the limited partnership agreement by such persons.

(d) For a plan of ~~election~~ conversion to become a limited liability company or limited partnership to be approved:

(1) The board of directors ~~must~~ shall submit the plan of conversion approved by the shareholders and shall recommend the plan of ~~election~~ conversion to the shareholders in the same manner and subject to the same exceptions as provided in ~~subsections (a)~~

~~through (d)~~ paragraph (1) of subsection (b) of the Code Section 14-2-1103, and may condition its submission and provide notice to each shareholder entitled to vote in the same manner as provided in subsections (c) and (d) of Code Section 14-2-1103; and

(2) All of the shareholders must approve the plan of ~~election~~ conversion.

(e) The plan of conversion may set forth other provisions relating to the conversion, including a provision that the plan may be amended prior to the time that the conversion has become effective, but subsequent to approval of the plan by shareholders the plan may not be amended to change in any respect not expressly authorized by such shareholders in connection with the approval of the plan:

(1) The amount or kind of interests, shares or other securities, obligations, or rights to acquire interests, shares or other securities to be received under the plan by the shareholders if the change would adversely affect such shareholders; or

(2) Any of the other terms or conditions of the plan if the change would adversely affect such shareholders in any material respect; and

in the event that the plan of conversion is amended after a certificate of conversion has been filed with the Secretary of State but before the conversion has become effective, a certificate of amendment of conversion executed by an officer or other duly authorized representative shall be delivered to the Secretary of State for filing prior to the effectiveness of the conversion.

(f) Any of the terms of the plan of conversion may be made dependent upon facts ascertainable outside of the plan of conversion, provided that the manner in which such facts shall operate upon the terms of the conversion is clearly and expressly set forth in the plan of conversion. As used in this subsection, the term 'facts' includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation.

(g) After a conversion is authorized, unless the plan of conversion provides otherwise, and at any time before the conversion has become effective, the planned conversion may be abandoned, subject to any contractual rights, without further shareholder action, in accordance with the procedure set forth in the plan of conversion or, if none is set forth, in the manner determined by the board of directors.

~~(e)~~(h) After a plan of ~~election~~ conversion is approved by the shareholders, the corporation shall deliver to the Secretary of State for filing a certificate of ~~election~~ conversion complying with subsection (b) of Code Section 14-11-212 or subsection (b) of Code Section 14-9-206.2, as applicable."

SECTION 14.

Said title is further amended by adding two new Code sections to the end of Part 1 of Article 11 of Chapter 2, relating to merger and share exchange, to read as follows:

"14-2-1109.2.

(a) A foreign corporation, domestic limited partnership, foreign limited partnership, domestic general partnership, foreign general partnership, domestic limited liability company, or foreign limited liability company may elect to become a corporation. Such election shall require the approval of all of the electing entity's partners,

members, or shareholders, or such other approval or compliance as may be sufficient under applicable law or the governing documents of the electing entity to authorize such election.

(b) Such election shall be made by delivering a certificate of conversion to the Secretary of State for filing. The certificate shall set forth:

- (1) The name and jurisdiction of organization of the entity making the election;
- (2) That the entity elects to become a corporation;
- (3) The effective date, or the effective date and time, of such conversion if later than the date and time the certificate of conversion is filed;
- (4) That the election has been approved as required by subsection (a) of this Code section;
- (5) That filed with the certificate of conversion are articles of incorporation that are in the form required by Code Section 14-2-202, setting forth a name for the corporation that satisfies the requirements of Code Section 14-2-401, and stating that such articles of incorporation shall be the articles of incorporation of the corporation formed pursuant to such election unless and until modified in accordance with this chapter; and
- (6) If not provided for in the articles of incorporation required by paragraph (5) of this subsection, a statement setting forth the manner and basis for converting the ownership interests in the entity making the election into shares of the corporation formed pursuant to such election.

(c) Upon the election becoming effective:

- (1) The electing entity shall become a corporation formed under this chapter by such election, except that the existence of the corporation so formed shall be deemed to have commenced on the date the entity making the election commenced its existence in the jurisdiction in which such entity was first created, formed, incorporated, or otherwise came into being;
- (2) The ownership interests in the entity making the conversion shall be converted on the basis stated or referred to in the certificate of conversion in accordance with paragraph (6) of subsection (b) of this Code section;
- (3) The articles of incorporation filed with the certificate of conversion shall be the articles of incorporation of the corporation formed pursuant to such election unless and until amended in accordance with this chapter;
- (4) The governing documents of the entity making the election shall be of no further force or effect;
- (5) The corporation formed by such election shall thereupon and thereafter possess all of the rights, privileges, immunities, franchises, and powers of the entity making the election; all property, real, personal, and mixed, all contract rights, and all debts due to such entity, as well as all other choses in action, and each and every other interest of or belonging to or due to the entity making the election shall be taken and deemed to be vested in the corporation formed by such election without further act or deed; the title to any real estate, or any interest therein, vested in the entity making the election shall not revert or be in any way impaired by reason of such election; and

none of such items shall be deemed to have been conveyed, transferred, or assigned by reason of such election for any purpose; and

(6) The corporation formed by such election shall thereupon and thereafter be responsible and liable for all the liabilities and obligations of the entity making the election, and any claim existing or action or proceeding pending by or against such entity may be prosecuted as if such election had not become effective. Neither the rights of creditors nor any liens upon the property of the entity making such election shall be impaired by such election.

(d) A conversion pursuant to this Code section shall not be deemed to constitute a dissolution of the entity making the election and shall constitute a continuation of the existence of the entity making the election in the form of a corporation. A corporation formed by an election pursuant to this Code section shall for all purposes be deemed to be the same entity as the entity making such election.

(e) A corporation formed by an election pursuant to this Code section may file a copy of such certificate of conversion, certified by the Secretary of State, in the office of the clerk of the superior court of the county where any real property owned by such corporation is located and record such certified copy of the certificate of conversion in the books kept by such clerk for recordation of deeds in such county with the entity electing to become a corporation indexed as the grantor and the corporation indexed as the grantee. No real estate transfer tax under Code Section 48-6-1 shall be due with respect to the recordation of such election.

14-2-1109.3.

(a) A corporation may elect to become a foreign limited liability company, a foreign limited partnership, or a foreign corporation, if such a conversion is permitted by the law of the state or jurisdiction under whose law the resulting entity would be formed.

(b) To effect a conversion under this Code section, the corporation must adopt a plan of conversion that sets forth the manner and basis of converting the shares of the corporation into interests, shares, obligations, or other securities, as the case may be, of the resulting entity. The plan of conversion may set forth other provisions relating to the conversion.

(c) For the plan of conversion to be adopted:

(1) The board of directors shall submit the plan of conversion for approval by the shareholders and shall recommend the plan of conversion to the shareholders in the same manner and subject to the same exceptions as provided in paragraph (1) of subsection (b) of Code Section 14-2-1103, and may condition its submission and provide notice to each shareholder entitled to vote in the same manner as provided in subsections (c) and (d) of Code Section 14-2-1103; and

(2) All of the shareholders must approve the plan of conversion.

(d) The plan of conversion may set forth other provisions relating to the conversion, including a provision that the plan may be amended prior to the time that the conversion has become effective, but subsequent to approval of the plan by shareholders the plan may not be amended to change in any respect not expressly

authorized by such shareholders in connection with the approval of the plan:

- (1) The amount or kind of interests, shares or other securities, obligations, or rights to acquire interests, shares or other securities to be received under the plan by the shareholders if the change would adversely affect such shareholders; or
- (2) Any of the other terms or conditions of the plan if the change would adversely affect such shareholders in any material respect; and

in the event that the plan of conversion is amended after a certificate of conversion has been filed with the Secretary of State but before the conversion has become effective, a certificate of amendment of conversion executed by an officer or other duly authorized representative shall be delivered to the Secretary of State for filing prior to the effectiveness of the conversion.

(e) Any of the terms of the plan of conversion may be made dependent upon facts ascertainable outside of the plan of conversion, provided that the manner in which such facts shall operate upon the terms of the conversion is clearly and expressly set forth in the plan of conversion. As used in this subsection, the term 'facts' includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation.

(f) After a conversion is authorized, unless the plan of conversion provides otherwise, and at any time before the conversion has become effective, the planned conversion may be abandoned, subject to any contractual rights, without further shareholder action, in accordance with the procedure set forth in the plan of conversion or, if none is set forth, in the manner determined by the board of directors.

(g) The conversion shall be effected as provided in, and shall have the effects provided by, the law of the state or jurisdiction under whose law the resulting entity is formed and by the plan of conversion, to the extent not inconsistent with such law.

(h) If the resulting entity is required to obtain a certificate of authority to transact business in this state by the provisions of this title governing foreign corporations, foreign limited partnerships, or foreign limited liability companies, it shall do so pursuant to Code Section 14-2-1501, 14-9-902, or 14-11-705."

SECTION 15.

Said title is further amended by striking paragraph (1) of subsection (b) of Code Section 14-2-1202, relating to sale of assets requiring shareholder approval, and inserting in lieu thereof the following:

"(1) The board of directors ~~must recommend the proposed transaction~~ shall also transmit to the shareholders a recommendation that the shareholders approve the proposed disposition, unless the board of directors ~~elects,~~ makes a determination that, because of ~~conflict~~ conflicts of interest or other special circumstances, ~~to make no recommendation and communicates the basis for its election to the shareholders with the submission of the proposed transaction~~ it should either refrain from making such a recommendation or recommend that the shareholders reject or vote against the plan, in which case the board of directors shall transmit to the shareholders the basis for such determination; and"

SECTION 16.

Said title is further amended by striking subsection (c) of Code Section 14-2-1302, relating to right to dissent, and inserting in lieu thereof the following:

"(c) Notwithstanding any other provision of this article, there shall be no right of dissent in favor of the holder of shares of any class or series which, at the record date fixed to determine the shareholders entitled to receive notice of and to vote at a meeting at which a plan of merger or share exchange or a sale or exchange of property or an amendment of the articles of incorporation is to be acted on, were either listed on a national securities exchange or held of record by more than 2,000 shareholders, unless:

(1) In the case of a plan of merger or share exchange, ~~the~~ any holders of shares of the class or series are required under the plan of merger or share exchange to accept for their shares:

(A) Anything ~~anything~~ except shares of the surviving corporation or another publicly held corporation which at the effective date of the merger or share exchange are either listed on a national securities exchange or held of record by more than 2,000 shareholders, except for scrip or cash payments in lieu of fractional shares; or

(B) Any shares of the surviving corporation or another publicly held corporation which at the effective date of the merger or share exchange are either listed on a national securities exchange or held of record by more than 2,000 shareholders that are different, in type or exchange ratio per share, from the shares to be provided or offered to any other holder of shares of the same class or series of shares in exchange for such shares; or

(2) The articles of incorporation or a resolution of the board of directors approving the transaction provides otherwise."

SECTION 17.

Said title is further amended by striking subsection (b) of Code Section 14-2-1402, relating to dissolution by board of directors and shareholders, and inserting in lieu thereof the following:

"(1) The board of directors ~~must recommend dissolution~~ shall also transmit to the shareholders a recommendation that the shareholders approve the proposed dissolution, unless the board of directors elects, makes the recommendation that because of a conflict conflicts of interest or other special circumstances, to make no recommendation and communicates the basis for its determination to the shareholders it should either refrain from making such a recommendation or recommend that the shareholders reject or vote against dissolution, in which case the board of directors shall transmit to the shareholders the basis for such determination; and"

SECTION 18.

Said title is further amended by striking Code Section 14-2-1504, relating to amended certificate of authority, and inserting in lieu thereof the following:

"14-2-1504.

(a) A foreign corporation authorized to transact business in this state must obtain an amended certificate of authority from the Secretary of State if it changes:

- (1) Its corporate name;
- (2) The period of its duration; or
- (3) The state or country of its incorporation.

(b) The requirements of Code Section 14-2-1503 for obtaining an original certificate of authority apply to obtaining an amended certificate under this Code section.

(c) If a foreign corporation authorized to transact business in this state converts into a foreign limited liability company:

(1) The foreign corporation shall notify the Secretary of State that such conversion has occurred no later than 30 days after the conversion, using such form as the Secretary of State shall specify, which form may require such information and statements as may be required to be submitted by a foreign limited liability company that applies for a certificate of authority to transact business in this state; and

(2) If such notice is timely given:

(A) The authorization of such entity to transact business in this state shall continue without interruption; and

(B) The certificate of authority issued to such foreign corporation under this article shall constitute a certificate of authority issued under Code Section 14-11-704 to the foreign limited liability company resulting from the conversion effective as of the date of the conversion.

The Secretary of State shall adjust its records accordingly.

(d) If a foreign corporation authorized to transact business in this state converts into a foreign limited partnership:

(1) The foreign corporation shall notify the Secretary of State that such conversion has occurred no later than 30 days after the conversion, using such form as the Secretary of State shall specify, which form may require such information and statements as may be required to be submitted by a foreign limited partnership that applies for a certificate of authority to transact business in this state; and

(2) If such notice is timely given:

(A) The authorization of such entity to transact business in this state shall continue without interruption; and

(B) The certificate of authority issued to such foreign corporation under this part shall constitute a certificate of authority issued under Code Section 14-9-903 to the foreign limited partnership resulting from the conversion effective as of the date of the conversion.

The Secretary of State shall adjust its records accordingly."

SECTION 19.

Said title is further amended by striking paragraph (2) of subsection (b) of Code Section 14-2-1506, relating to corporate name of a foreign corporation, and inserting in lieu thereof the following:

"(2) A corporate name reserved ~~or registered~~ under Code Section 14-2-402 ~~or 14-2-403;~~"

SECTION 20.

Said title is further amended by striking Code Section 14-9-206.2, relating to election to become a limited partnership, and inserting in lieu thereof the following:

"14-9-206.2.

(a) A corporation, foreign corporation, limited liability company, foreign limited liability company, foreign limited partnership, general partnership, or foreign general partnership may elect to become a limited partnership. Such election shall require:

(1) Compliance with Code Section 14-2-1109.1 in the case of a Georgia corporation; or

(2) Approval of all of its partners, members, or shareholders, or such other approval as may be sufficient under applicable law or the governing documents of the electing entity to authorize such election, in the case of a foreign corporation, limited liability company, foreign limited liability company, foreign limited partnership, general partnership, or foreign general partnership; ~~or~~

~~(3) The approval of all of its partners, or such other approval as may be sufficient under applicable law to authorize such election, in the case of a general partnership.~~

(b) Such election is made by delivery of a certificate of ~~election~~ conversion to the Secretary of State for filing. The certificate shall set forth:

(1) The name ~~of the corporation, limited liability company, or general partnership~~ and jurisdiction of organization of the entity making the election;

(2) That the ~~corporation, limited liability company, or general partnership~~ entity elects to become a limited partnership;

(3) The effective date and time of such election if later than the date and time the certificate of ~~election~~ conversion is filed;

(4) That the election has been approved as required by subsection (a) of this Code section;

(5) That filed with the certificate of ~~election~~ conversion is a certificate of limited partnership that is in the form required by Code Section 14-9-201, that sets forth a name for the limited partnership that satisfies the requirements of Code Section 14-9-102, and that shall be the certificate of limited partnership of the limited partnership formed pursuant to such election unless and until modified in accordance with this chapter; and

(6) A statement ~~that states~~ setting forth either:

(A) The manner and basis for converting the ~~shares of the corporation, the membership interests of the members of the limited liability company, or the interests of the partners in the general partnership~~ ownership interests in the entity making the election into interests as ~~members~~ partners of the limited partnership formed pursuant to such election; or

(B)(i) That a written limited partnership agreement has been entered into among the persons who will be the ~~members~~ partners of the limited partnership formed

pursuant to such election;

(ii) That such limited partnership agreement will be effective immediately upon the effectiveness of such election; and

(iii) That such limited partnership agreement provides for the manner and basis of such conversion.

(c) Upon the election becoming effective the:

(1) ~~Corporation, limited liability company, or general partnership~~ Electing entity shall become a limited partnership formed under this chapter by such election except that the existence of the limited partnership so formed shall be deemed to have commenced on the date the entity making the election commenced its existence in the jurisdiction in which such entity was first created, formed, incorporated, or otherwise came into being;

(2) ~~Ownership Shares of the corporation, interests in the limited liability company, or the interests of the partners of the general partnership~~ entity making the election shall be converted on the basis stated or referred to in the certificate of ~~election~~ conversion in accordance with paragraph (6) of subsection (b) of this Code section;

(3) Certificate of limited partnership filed with the certificate of ~~election~~ conversion shall be the certificate of limited partnership of the limited partnership formed pursuant to such election unless and until amended in accordance with this chapter;

(4) ~~Governing documents of the entity Articles of incorporation and bylaws of the corporation, articles of organization and operating agreement of the limited liability company, or partnership agreement and statement of partnership, if any, of the general partnership~~ making the election shall be of no further force or effect;

(5) Limited partnership formed by such election shall thereupon and thereafter possess all of the rights, privileges, immunities, franchises, and powers of the ~~corporation, limited liability company, or general partnership~~ entity making the election; ~~and~~ all property, real, personal, and mixed, all contract rights, and all debts due to such ~~corporation, limited liability company, or general partnership~~ entity, as well as all other choses in action, and each and every other interest of, belonging to, or due to the ~~corporation, limited liability company, or general partnership~~ entity making the election shall be taken and deemed to be vested in the limited partnership formed by such election without further act or deed; ~~and~~ the title to any real estate, or any interest in real estate, vested in the ~~corporation, limited liability company, or general partnership~~ entity making the election shall not revert or be in any way impaired by reason of such election; and none of such items shall be deemed to have been conveyed, transferred, or assigned by reason of such election for any purpose; and

(6) Limited partnership formed by such election shall thereupon and thereafter be responsible and liable for all the liabilities and obligations of the ~~corporation, limited liability company, or general partnership~~ entity making the election, and any claim existing or action or proceeding pending by or against such ~~corporation, limited liability company, or general partnership~~ entity may be prosecuted as if such election had not become effective. Neither the rights of creditors nor any liens upon the

property of the ~~corporation, limited liability company, or general partnership~~ entity making such election shall be impaired by such election.

(d) A conversion pursuant to this Code section shall not be deemed to constitute a dissolution of the entity making the election and shall constitute a continuation of the existence of the entity making the election in the form of a limited partnership. A limited partnership formed by an election pursuant to this Code section shall for all purposes be deemed to be the same entity as the entity making such election.

(e) A limited partnership formed by the ~~foregoing~~ election pursuant to this Code section may file a copy of the ~~foregoing election to become a limited partnership~~ such certificate of conversion, certified by the Secretary of State, in the office of the clerk of the superior court of the county where any real property owned by such limited partnership is located and record such certified copy of the ~~election~~ certificate of conversion in the books kept by such clerk for recordation of deeds in such county with the entity electing to become a limited partnership indexed as the grantor and the limited partnership indexed as the grantee. No real estate transfer tax under Code Section 48-6-1 shall be due with respect to the recordation of such election.

~~(e)~~(f) The Secretary of State shall be authorized to promulgate such rules and charge such filing fees as are necessary to carry out the purpose of this Code section."

SECTION 21.

Said title is further amended by adding a new Code Section 14-9-206.8 to the end of Article 2 of Chapter 9, relating to formation, amendment, cancellation, and merger, to read as follows:

"14-9-206.8.

(a) A limited partnership may elect to become a foreign limited liability company, a foreign limited partnership, or a foreign corporation, if such a conversion is permitted by the law of the state or jurisdiction under whose law the resulting entity would be formed.

(b) To effect a conversion under this Code section, the limited partnership must adopt a plan of conversion that sets forth the manner and basis of converting the interests of the partners of the limited partnership into interests, shares, obligations, or other securities, as the case may be, of the resulting entity. The plan of conversion may set forth other provisions relating to the conversion.

(c) The limited partnership shall have the plan of conversion authorized and approved by the unanimous consent of the partners, unless the limited partnership agreement of such limited partnership provides otherwise.

(d) After a conversion is authorized, unless the plan of conversion provides otherwise, and at any time before the conversion has become effective, the planned conversion may be abandoned, subject to any contractual rights, in accordance with the procedure set forth in the plan of conversion or, if none is set forth, by the unanimous consent of the partners of the limited partnership, unless the limited partnership agreement of such limited partnership provides otherwise.

(e) The conversion shall be effected as provided in, and shall have the effects provided

by, the law of the state or jurisdiction under whose law the resulting entity is formed and by the plan of conversion, to the extent not inconsistent with such law.

(f) If the resulting entity is required to obtain a certificate of authority to transact business in this state by the provisions of this title governing foreign corporations, foreign limited partnerships, or foreign limited liability companies, it shall do so."

SECTION 22.

Said title is further amended by striking the introductory language of Code Section 14-9-902, relating to the certificate of authority for foreign limited partnerships, and inserting in lieu thereof the following:

"(a) A foreign limited partnership transacting business in this state shall procure a certificate of authority to do so from the Secretary of State. In order to procure a certificate of authority to transact business in this state, a foreign limited partnership shall submit to the Secretary of State an application for a certificate of authority as a foreign limited partnership, signed ~~and sworn to~~ by a general partner setting forth:"

SECTION 23.

Said title is further amended by striking Code Section 14-9-905, relating to change of name or state of an organization, and inserting in lieu thereof the following:

"14-9-905.

(a) A foreign limited partnership authorized to transact business in this state must obtain an amended certificate of authority from the Secretary of State if it changes its name or its state of organization. The requirements of Code Sections 14-9-902 and 14-9-903 for obtaining an original certificate of authority shall apply to obtaining an amended certificate under this Code section.

(b) If a foreign limited partnership authorized to transact business in this state converts into a foreign limited liability company:

(1) The foreign limited partnership shall notify the Secretary of State that such conversion has occurred no later than 30 days after the conversion, using such form as the Secretary of State shall specify, which form may require such information and statements as may be required to be submitted by a foreign limited liability company that applies for a certificate of authority to transact business in this state; and

(2) If such notice is timely given:

(A) The authorization of such entity to transact business in this state shall continue without interruption; and

(B) The certificate of authority issued to such foreign limited partnership under this article shall constitute a certificate of authority issued under Code Section 14-11-704 to the foreign limited liability company resulting from the conversion effective as of the date of the conversion.

The Secretary of State shall adjust its records accordingly.

(c) If a foreign limited partnership authorized to transact business in this state converts into a foreign corporation:

(1) The foreign limited partnership shall notify the Secretary of State that such conversion has occurred no later than 30 days after the conversion, using such form as the Secretary of State shall specify, which form may require such information and statements as may be required to be submitted by a foreign corporation that applies for a certificate of authority to transact business in this state; and

(2) If such notice is timely given:

(A) The authorization of such entity to transact business in this state shall continue without interruption; and

(B) The certificate of authority issued to such foreign limited partnership under this article shall constitute a certificate of authority issued under Code Sections 14-2-1501 and 14-2-1503 to the foreign corporation resulting from the conversion effective as of the date of the conversion.

The Secretary of State shall adjust its records accordingly."

SECTION 24.

Said title is further amended by striking Code Section 14-11-212, relating to election to become a limited liability company, and inserting in lieu thereof the following:

"14-11-212.

(a) A corporation, ~~limited foreign corporation~~, foreign limited liability company, ~~limited partnership~~, foreign limited partnership, ~~general partnership~~, or foreign general partnership may elect to become a limited liability company. Such election shall require (1) compliance with Code Section 14-2-1109.1 in the case of a Georgia corporation, or (2) the approval of all of its partners, ~~members or shareholders~~ (or such other approval or compliance as may be sufficient under applicable law or the governing documents of the electing entity to authorize such election) in the case of a foreign corporation, foreign limited liability company, limited partnership, or foreign limited partnership, or foreign general partnership.

(b) Such election is made by delivering a certificate of ~~election~~ conversion to the Secretary of State for filing. The certificate shall set forth:

(1) The name ~~of the corporation, limited partnership, or general partnership~~ and jurisdiction of organization of the entity making the election;

(2) That the ~~corporation, limited partnership, or general partnership~~ entity elects to become a limited liability company;

(3) The effective date, or the effective date and time, of such election if later than the date and time the certificate of ~~election~~ conversion is filed;

(4) That the election has been approved as required by subsection (a) of this Code section;

(5) That filed with the certificate of ~~election~~ conversion are articles of organization that are in the form required by Code Section 14-11-204, that set forth a name for the limited liability company that satisfies the requirements of Code Section 14-11-207, and that shall be the articles of organization of the limited liability company formed pursuant to such election unless and until modified in accordance with this chapter; and

(6) A statement ~~that setting forth~~ either (A) ~~states~~ the manner and basis for converting the shares of the corporation or the interests of the partners in the limited partnership or general partnership ownership interests in the entity making the election into interests as members of the limited liability company formed pursuant to such election, or (B) ~~states~~ (i) that a written operating agreement has been entered into among the persons who will be the members of the limited liability company formed pursuant to such election, (ii) that such operating agreement will be effective immediately upon the effectiveness of such election, and (iii) that such operating agreement provides for the manner and basis of such conversion.

(c) Upon the election becoming effective:

(1) The ~~corporation, limited partnership, or general partnership~~ electing entity shall become a limited liability company formed under this chapter by such election except that the existence of the limited liability company so formed shall be deemed to have commenced on the date the entity making the election commenced its existence in the jurisdiction in which such entity was first created, formed, incorporated, or otherwise came into being;

(2) The ~~shares of the corporation or the interests of the partners of the limited partnership or general partnership~~ ownership interests in the entity making the election shall be converted on the basis stated or referred to in the certificate of election conversion in accordance with paragraph (6) of subsection (b) of this Code section;

(3) The articles of organization filed with the certificate of ~~election~~ conversion shall be the articles of organization of the limited liability company formed pursuant to such election unless and until amended in accordance with this chapter;

(4) The ~~articles of incorporation and bylaws of the corporation, certificate of limited partnership and partnership agreement of the limited partnership, or partnership agreement and statement of partnership, if any, of the general partnership~~ governing documents of the entity making the election shall be of no further force or effect;

(5) The limited liability company formed by such election shall thereupon and thereafter possess all of the rights, privileges, immunities, franchises, and powers of the ~~corporation, limited partnership, or general partnership~~ entity making the election; ~~and all property, real, personal, and mixed, all contract rights,~~ and all debts due to such ~~corporation, limited partnership, or general partnership~~ entity, as well as all other choses in action, and each and every other interest of or belonging to or due to the ~~corporation, limited partnership, or general partnership~~ entity making the election shall be taken and deemed to be vested in the limited liability company formed by such election without further act or deed; and the title to any real estate, or any interest therein, vested in the ~~corporation, limited partnership, or general partnership~~ entity making the election shall not revert or be in any way impaired by reason of such election; and none of such items shall be deemed to have been conveyed, transferred, or assigned by reason of such election for any purpose; and

(6) The limited liability company formed by such election shall thereupon and thereafter be responsible and liable for all the liabilities and obligations of the

~~corporation, limited partnership, or general partnership entity~~ making the election, and any claim existing or action or proceeding pending by or against such ~~corporation, limited partnership, or general partnership entity~~ may be prosecuted as if such election had not become effective. Neither the rights of creditors nor any liens upon the property of the ~~corporation, limited partnership, or general partnership entity making such election~~ shall be impaired by such election.

(d) A conversion pursuant to this Code section shall not be deemed to constitute a dissolution of the entity making the election and shall constitute a continuation of the existence of the entity making the election in the form of a limited liability company. A limited liability company formed by an election pursuant to this Code section shall for all purposes be deemed to be the same entity as the entity making such election.

(e) A limited liability company formed by an election pursuant to this Code section may file a copy of such ~~election to become a limited liability company~~ certificate of conversion, certified by the Secretary of State, in the office of the clerk of the superior court of the county where any real property owned by such limited liability company is located and record such certified copy of the ~~election~~ certificate of conversion in the books kept by such clerk for recordation of deeds in such county with the entity electing to become a limited liability company indexed as the grantor and the limited liability company indexed as the grantee. No real estate transfer tax under Code Section 48-6-1 shall be due with respect to recordation of such election."

SECTION 25.

Said title is further amended by striking Code Section 14-11-706, relating to amended certificate required for change of name or jurisdiction of organization, and inserting in lieu thereof the following:

"14-11-706.

(a) A foreign limited liability company authorized to transact business in this state must procure an amended certificate of authority from the Secretary of State if it changes its name or its jurisdiction of organization. The requirements of Code Sections 14-11-702 and 14-11-704 for procuring an original certificate of authority shall apply to procuring an amended certificate under this Code section.

(b) If a foreign limited liability company authorized to transact business in this state converts into a foreign limited partnership:

(1) The foreign limited liability company shall notify the Secretary of State that such conversion has occurred no later than 30 days after the conversion, using such form as the Secretary of State shall specify, which form may require such information and statements as may be required to be submitted by a foreign limited partnership that applies for a certificate of authority to transact business in this state; and

(2) If such notice is timely given:

(A) The authorization of such entity to transact business in this state shall continue without interruption; and

(B) The certificate of authority issued to such foreign limited liability company under this article shall constitute a certificate of authority issued under Code Section

14-11-903 to the foreign limited partnership resulting from the conversion effective as of the date of the conversion.

The Secretary of State shall adjust its records accordingly.

(c) If a foreign limited liability company authorized to transact business in this state converts into a foreign corporation:

(1) The foreign limited liability company shall notify the Secretary of State that such conversion has occurred no later than 30 days after the conversion, using such form as the Secretary of State shall specify, which form may require such information and statements as may be required to be submitted by a foreign corporation that applies for a certificate of authority to transact business in this state; and

(2) If such notice is timely given:

(A) The authorization of such entity to transact business in this state shall continue without interruption; and

(B) The certificate of authority issued to such foreign limited liability company under this article shall constitute a certificate of authority issued under Code Section 14-2-1501 to the foreign corporation resulting from the conversion effective as of the date of the conversion.

The Secretary of State shall adjust its records accordingly."

SECTION 26.

Said title is further amended by adding a new Code Section 14-11-906 to the end of Article 9 of Chapter 11, relating to merger, to read as follows:

"14-11-906.

(a) A limited liability company may elect to become a foreign limited liability company, a foreign limited partnership, or a foreign corporation, if such a conversion is permitted by the law of the state or jurisdiction under whose law the resulting entity would be formed.

(b) To effect a conversion under this Code section, the limited liability company must adopt a plan of conversion that sets forth the manner and basis of converting the interests of the members of the limited liability company into interests, shares, obligations, or other securities, as the case may be, of the resulting entity. The plan of conversion may set forth other provisions relating to the conversion.

(c) The limited liability company shall have the plan of conversion authorized and approved by the unanimous consent of the members, unless the articles of organization or a written operating agreement of such limited liability company provides otherwise.

(d) After a conversion is authorized, unless the plan of conversion provides otherwise, and at any time before the conversion has become effective, the planned conversion may be abandoned, subject to any contractual rights, in accordance with the procedure set forth in the plan of conversion or, if none is set forth, by the unanimous consent of the members of the limited liability company, unless the articles of organization or a written operating agreement of such limited liability company provides otherwise.

(e) The conversion shall be effected as provided in, and shall have the effects provided by, the law of the state or jurisdiction under whose law the resulting entity is formed

and by the plan of conversion, to the extent not inconsistent with such law.

(f) If the resulting entity is required to obtain a certificate of authority to transact business in this state by the provisions of this title governing foreign corporations, foreign limited partnerships, or foreign limited liability companies, it shall do so."

SECTION 27.

Said title is further amended by adding a new paragraph (16) to subsection (a) of Code Section 14-11-1101, relating to filing fees and penalties, to read as follows:

"(16) All foreign entity conversions.....95.00 "

SECTION 28.

Said title is further amended by striking subsection (a) of Code Section 14-11-1002, relating to right to dissent, and inserting in lieu thereof the following:

"(a) Unless otherwise provided by the articles of organization or a written operating agreement, a record member of the limited liability company is entitled to dissent from, and obtain payment of the fair value of his or her membership interest in the event of, any of the following actions:

(1) Consummation of a plan of merger to which the limited liability company is a party if approval of less than all of the members of the limited liability company is required for the merger by the articles of organization or a written operating agreement and the member is entitled to vote on the merger;

(2) Consummation of a plan of conversion pursuant to Code Section 14-2-1109.2 or 14-11-906;

(3) Consummation of a sale, lease, exchange, or other disposition of all or substantially all of the property of the limited liability company if approval of less than all of the members is required by the articles of organization or a written operating agreement and the member is entitled to vote on the sale, lease, exchange, or other disposition, but not including a sale pursuant to court order or a sale for cash pursuant to a plan by which all or substantially all of the net proceeds of the sale will be distributed to the members within one year after the date of sale;

~~(3)~~(4) An amendment of the articles of organization that materially and adversely affects rights in respect of a dissenter's membership interest in the limited liability company because it:

(A) Alters or abolishes a preferential right of the member's interest;

(B) Creates, alters, or abolishes a right in respect of redemption, including a provision respecting a sinking fund for the redemption or repurchase, of the membership interest;

(C) Alters or abolishes a preemptive right of the holder of the membership interest to acquire additional interest or other securities;

(D) Excludes or limits the right of the member to vote on any matter, other than a limitation by dilution through additional member contributions or other securities with similar voting rights; or

(E) Cancels, redeems, or repurchases all or part of the membership interest of the class; or

~~(4)~~(5) Any limited liability company action taken pursuant to a member vote to the extent that the articles of organization or a written operating agreement provides that voting or nonvoting members are entitled to dissent and obtain payment for their membership interests."

SECTION 29.

All laws and parts of laws in conflict with this Act are repealed.

On the adoption of the substitute, the yeas were 41, nays 0, and the committee substitute was adopted.

The report of the committee, which was favorable to the passage of the bill by substitute, was agreed to.

On the passage of the bill, a roll call was taken, and the vote was as follows:

Y Adelman	Y Hill,Jack	Y Smith
Y Balfour	Y Hill,Judson	Y Starr
E Brown	Y Hooks	Y Staton
Y Bulloch	Y Hudgens	Y Stephens
Y Butler	Y Johnson	E Stoner
Y Cagle	Y Jones	Y Tarver
Y Carter	Y Kemp	Y Tate
Y Chance	Y Me V Bremen	Y Thomas,D
Y Chapman	Y Miles	Y Thomas,R
Y Douglas	Y Moody	Y Thompson,C
Y Fort	Y Mullis	E Thompson,S
Y Goggans	Y Pearson	Y Tolleson
Y Golden	Y Powell	Y Unterman
Y Grant	Y Reed	Y Weber
Y Hamrick	Y Rogers	Y Whitehead
E Harbison	Y Schaefer	Y Wiles
Y Harp	Y Seabaugh	Y Williams
Y Heath	Y Seay	Y Zamarripa
Y Henson	Y Shafer,D	

On the passage of the bill, the yeas were 52, nays 0.

SB 469, having received the requisite constitutional majority, was passed by substitute.

Senator Thomas of the 54th recognized members of the Georgia Rural Health Association, commended by SR 699, adopted previously.

Senator Grant of the 25th introduced Miss Blair Harshbarger, commended by SR 846, adopted previously.

Senator Powell of the 23rd asked unanimous consent that Senator Jones of the 10th be excused. The consent was granted, and Senator Jones was excused.

Senator Tolleson of the 20th asked unanimous consent that Senator Bulloch of the 11th be excused. The consent was granted, and Senator Bulloch was excused.

The Calendar was resumed.

SB 373. By Senators Douglas of the 17th, Grant of the 25th, Schaefer of the 50th, Staton of the 18th, Williams of the 19th and others:

A BILL to be entitled an Act to amend Code Section 40-5-36 of the Official Code of Georgia Annotated, relating to veterans' licenses, honorary licenses, and other distinctive licenses, so as to provide for an honorary license for the unmarried surviving spouse or child of certain deceased military persons; to provide for conditions; to repeal conflicting laws; and for other purposes.

The report of the committee, which was favorable to the passage of the bill, was agreed to.

On the passage of the bill, a roll call was taken, and the vote was as follows:

Y Adelman	Y Hill,Jack	Y Smith
Y Balfour	Y Hill,Judson	Y Starr
E Brown	Y Hooks	Y Staton
E Bulloch	Y Hudgens	Y Stephens
Y Butler	Y Johnson	E Stoner
Cagle	E Jones	Y Tarver
Y Carter	Y Kemp	Y Tate
Y Chance	Y Me V Bremen	Y Thomas,D
Y Chapman	Y Miles	Y Thomas,R
Y Douglas	Y Moody	Y Thompson,C
Y Fort	Y Mullis	Y Thompson,S
Y Goggans	Y Pearson	Y Tolleson
Y Golden	Y Powell	Y Unterman
Y Grant	Y Reed	Y Weber
Y Hamrick	Y Rogers	Y Whitehead

E Harbison
Y Harp
Heath
Y Henson

Y Schaefer
Y Seabaugh
Y Seay
Y Shafer,D

Y Wiles
Y Williams
Y Zamarripa

On the passage of the bill, the yeas were 49, nays 0.

SB 373, having received the requisite constitutional majority, was passed.

The following communication was received by the Secretary:

Senator Casey Cagle
District 49
121-G State Capitol
Atlanta, GA 30334

Committees:

Finance
Science and Technology
Banking and Financial Institutions
Appropriations
Natural Resources and the Environment

The State Senate
Atlanta, Georgia 30334

I had planned on voting for SB 373 and my voting machine malfunctioned.

/s/ Casey Cagle

SB 385. By Senator Hudgens of the 47th:

A BILL to be entitled an Act to amend Code Section 33-11-13 of the Official Code of Georgia Annotated, relating to authorized investments of insurers generally, so as to provide that insurers may invest in the obligations of certain Canadian cities; to provide for related matters; to repeal conflicting laws; and for other purposes.

The Senate Insurance and Labor Committee offered the following substitute to SB 385:

A BILL TO BE ENTITLED
AN ACT

To amend Code Section 33-11-13 of the Official Code of Georgia Annotated, relating to authorized investments of insurers generally, so as to provide that insurers may invest in the obligations of certain Canadian cities; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Code Section 33-11-13 of the Official Code of Georgia Annotated, relating to authorized investments of insurers generally, is amended by striking the Code section and inserting in lieu thereof a new Code Section 33-11-13 to read as follows:

"33-11-13.

An insurer may invest in the obligations of any county, any incorporated city, town, or village, any school district, water district, sewer district, road district, or any special district, or any other political subdivision or public authority of any state, territory, or insular possession of the United States, or of the District of Columbia, or of the Canadian cities ~~having~~ that have a population of over 25,000 according to the most recent official ~~census~~ Census of Canada, which has not defaulted for a period of 120 days in the payment of interest upon, or for a period of more than one year in the payment of principal of, any of its bonds, notes, warrants, certificates of indebtedness, securities, or any other interest-bearing obligation during the five years immediately preceding the acquisition of the investment."

SECTION 2.

All laws and parts of laws in conflict with this Act are repealed.

On the adoption of the substitute, the yeas were 38, nays 0, and the committee substitute was adopted.

The report of the committee, which was favorable to the passage of the bill by substitute, was agreed to.

On the passage of the bill, a roll call was taken, and the vote was as follows:

Y Adelman	Y Hill,Jack	Y Smith
Y Balfour	Y Hill,Judson	Y Starr
E Brown	Y Hooks	Y Staton
E Bulloch	Y Hudgens	Y Stephens
Y Butler	Y Johnson	E Stoner
Y Cagle	E Jones	Y Tarver
Y Carter	Y Kemp	N Tate
Y Chance	Y Me V Bremen	Y Thomas,D
Y Chapman	Y Miles	Y Thomas,R
Y Douglas	Y Moody	Y Thompson,C
Y Fort	Y Mullis	Y Thompson,S
Y Goggans	Y Pearson	Y Tolleson
Y Golden	Y Powell	Y Unterman
Y Grant	Y Reed	Y Weber

Y Hamrick	Y Rogers	Y Whitehead
E Harbison	Y Schaefer	Y Wiles
Y Harp	Y Seabaugh	Y Williams
Y Heath	Y Seay	Y Zamarripa
N Henson	Y Shafer,D	

On the passage of the bill, the yeas were 49, nays 2.

SB 385, having received the requisite constitutional majority, was passed by substitute.

Senators Starr of the 44th and Seay of the 34th recognized representatives of Leadership Clayton County, commended by SR 802, adopted previously.

The Calendar was resumed.

HB 1080. By Representatives Golick of the 34th, Roberts of the 154th, Geisinger of the 48th, Freeman of the 140th, Chambers of the 81st and others:

A BILL to be entitled an Act to amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the imposition, rate, and computation of income tax, so as to provide for an income tax credit with respect to qualified child and dependent care expenses; to provide for conditions and limitations; to provide for powers, duties, and authority of the state revenue commissioner with respect to the foregoing; to provide an effective date; to provide for applicability; to repeal conflicting laws; and for other purposes.

Senate Sponsor: Senator Cagle of the 49th.

The following Fiscal Note, as required by law, was read by the Secretary:



Department of Audits and Accounts

270 Washington Street, S.W., Suite 4-114
Atlanta, Georgia 30334-8400

Russell W. Hinton
State Auditor
(404) 656-2174

January 5, 2006

Honorable Rich Golick
 State Representative
 State Capitol, Room 109
 Atlanta, Georgia 30334

SUBJECT: Fiscal Note
 House Bill 1080 (LC 18 4863-EC)

Dear Representative Golick:

This proposal would create a tax credit for child care expenses for eligible taxpayers. The Georgia credit would be computed as a percentage of the allowed federal credit. The credit is phased in over three years. In federal tax year 2006, the percentage of the credit allowed is 10%; this rises to 20% in tax year 2007 and to 30% in tax year 2008. The Georgia State University Fiscal Research Center provided the following analysis on the revenue impact of this bill:

This analysis assumes that the credit would operate under similar policies as the federal credit. The starting point of this estimate is data from IRS Statistics of Income. This data show that Georgia individual taxpayers claimed \$106.9 million in federal child care credits in 2003. This total in federal credits claimed by Georgia taxpayers is projected forward based on actual and projected growth in total federal child care credits claimed by U.S. taxpayers.

The impact on Georgia's individual income tax revenue is then computed based on the allowed percentage in each tax year. The table below summarizes the calculations for tax years 2006 – 2010 and then translates these impacts to fiscal year impacts.

Child Care Tax Credit Estimated Loss in Revenue (\$000s)				
Tax Years				
2006	2007	2008	2009	2010
\$ 11,784	\$ 15,936	\$ 22,646	\$ 21,514	\$ 20,507
Fiscal Year Impacts				
FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
\$ -	\$ 11,784	\$ 15,936	\$ 22,646	\$ 21,514

Note that the revenue loss from the credit declines because, under federal tax law, the child and dependent care credit will no longer be applied as a credit to the Alternative Minimum Tax base beginning in 2006. Under current federal law it is expected that an increasing percentage of taxpayers will be subject to the AMT. Thus the number of taxpayers eligible for the child care credit at the federal level will decline. In addition, the projected growth in the federal credit assumes that some taxpayers switch from the child care credit to cafeteria-type dependent care accounts.

Respectfully,

/s/ Russell W. Hinton
State Auditor

/s/ Shelley C. Nickel, Director
Office of Planning and Budget

The report of the committee, which was favorable to the passage of the bill, was agreed to.

On the passage of the bill, a roll call was taken, and the vote was as follows:

Y Adelman	Y Hill,Jack	Y Smith
Y Balfour	Y Hill,Judson	Y Starr
E Brown	Y Hooks	Y Staton
E Bulloch	Y Hudgens	Y Stephens
Y Butler	Y Johnson	E Stoner
Y Cagle	E Jones	Y Tarver
Y Carter	Y Kemp	Y Tate
Y Chance	Y Me V Bremen	Y Thomas,D
Y Chapman	Y Miles	Y Thomas,R
Y Douglas	Y Moody	Y Thompson,C
Y Fort	Y Mullis	Y Thompson,S
Y Goggans	Y Pearson	Y Tolleson
Y Golden	Y Powell	Y Unterman
Y Grant	Y Reed	Y Weber
Y Hamrick	Y Rogers	Y Whitehead
E Harbison	Y Schaefer	Y Wiles
Y Harp	Y Seabaugh	Y Williams
Y Heath	Seay	Y Zamarripa
Y Henson	Y Shafer,D	

On the passage of the bill, the yeas were 50, nays 0.

HB 1080, having received the requisite constitutional majority, was passed.

Senator Williams of the 19th moved that the Senate adjourn until 9:30 a.m. Wednesday, February 15, 2006.

The motion prevailed, and the President announced the Senate adjourned at 11:37 a.m.